CANADIAN WESTINGHOUSE COMPANY, LIMITED

TWENTY-EIGHTH ANNUAL REPORT

DECEMBER 31ST, 1931

DIRECTORS

H. H. WESTINGHOUSE, Chairman of the Board

PAUL J. MYLER, President

L. A. OSBORNE, Vice-President

F. A. MERRICK, Vice-President

N. S. BRADEN, Vice-President

A. W. ROBERTSON

HON. THOMAS AHEARN, P. C.

CHARLES A. TERRY

JOHN F. MILLER

A. L. HUMPHREY

H. U. HART, Vice-President and Chief Engineer

GEORGE R. KERR, Vice-President and Treasurer

H. M. BOSTWICK, Manager of Sales

C. H. O. POOK, Manager of Works

W. E. SPRAGUE, Secretary

PRINCIPAL OFFICE AND WORKS, HAMILTON, ONTARIO

SALES OFFICES

MONTREAL, QUE.

HALIFAX, N. S.

VANCOUVER, B. C.

TORONTO, ONT.

OTTAWA, ONT.

FORT WILLIAM, ONT

REGINA, SASK.

WINNIPEG, MAN.

CALGARY, ALTA.

EDMONTON, ALTA.

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CANADIAN WESTINGHOUSE COMPANY, LIMITED

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DECEMBER 31ST, 1931

The Board of Directors submit herewith the customary certified Balance Sheet of the Company at the close of the fiscal year ended December 31st, and a statement of the Profit and Loss Account.

The statement shows the current year's net earnings from all sources, including investment returns, royalties, etc., to be $1,842,739.98, after deduction of $397,000.00 written off various Property and Plant accounts, under the usual schedule, for depreciation, $195,000.00 set aside for the payment of Dominion Taxes for 1931, and $50,000.00 transferred to the Employees' Pension Fund. Dividends amounting to $1,620,000.00 were paid during the year, and the remaining balance of $222,739.98 has been carried forward to the credit of the Profit and Loss Account.

While the volume of earnings for the year was sufficient to make a very creditable showing under prevailing conditions, these results were not attained solely from business written during the current year. A considerable portion of the shipments made during 1931 consisted of orders for large generating and distributing apparatus booked during 1929 and 1930. The curtailment in sales experienced during the latter half of 1930 continued throughout the year 1931, becoming more marked in the latter months.

It is evident that until such a time as the development and distribution of additional power throughout the country becomes a necessity, the business of the Company will be more or less restricted to smaller apparatus for the utilization of the surplus power now available. In one branch of this field we have made extensive preparations for the manufacture and merchandising of a complete line of domestic appliances. This line includes the Westinghouse refrigerator, which has proven such an outstanding success in the United States, the equipment and plant for this apparatus now being installed, and production expected within a few weeks.

There has been no cessation of engineering activities during the year. Improvements in the design of large transformers, more particularly in respect to strength of insulation, have been accomplished. A complete new line of induction motors for all classes of industrial service has been developed, and there has been considerable advancement in the design and manufacture of both large and small types of circuit breakers, including a new line of breakers known as the Nofuz Type, to replace fused equipment in panel board service.

During the year some additions were made to our machine tool and other plant equipment, and advantage was also taken of the lull in shop activities to revamp and modernize some of our older equipment, and also to rearrange our plant layouts to bring about increased economy in manufacture; with the result that the Company's plants are in excellent shape for complete resumption of activity.

Due to the decrease in business experienced by the Canadian railways, no appropriations have been made recently for additional rolling stock, with the result that production activities in our Air Brake Department are for the immediate future sharply curtailed.

Your Board wishes to express its appreciation of the services rendered by the supervising and operating forces in all Departments, which continue faithful and efficient under the stress of present conditions.

By Order of the Board,

H. H. WESTINGHOUSE,
Chairman.

PAUL J. MYLER,
President.

ABSTRACT OF FINANCIAL STATEMENT

FOR FISCAL YEAR ENDED DECEMBER 31ST, 1931

GENERAL BALANCE SHEET

ASSETS:—		
CASH	$ 2,618,501.90	
INVESTMENTS, GOVERNMENT BONDS, ETC.	7,319,714.13	
ACCOUNTS AND BILLS RECEIVABLE	1,766,155.07	
PROPERTY AND PLANT:—		
Real Estate; Buildings; Machinery; Tools and Equipment; Main Office and District Office Properties	5,539,318.55	
INVENTORY OF MATERIALS AND PRODUCTS ON HAND INCLUDING WORK IN PROCESS	3,406,763.01	
INSURANCE UNEXPIRED AND TAXES PAID IN ADVANCE	33,693.61	
PATENTS, RIGHTS AND LICENSES	1.00	
	20,684,147.27	
ADVANCE PAYMENTS ON CONTRACTS	1,381,698.53	$19,302,448.74
LIABILITIES:—		
CAPITAL STOCK, 540,000 Shares No Par Value	$ 9,000,000.00	
CURRENT ACCOUNTS PAYABLE	986,405.75	
BILLS PAYABLE	272,988.27	
CONTRACTS IN PROGRESS	144,617.58	
PROVISION FOR DOMINION TAXES, 1931	195,000.00	
RESERVE FOR DEPRECIATION	750,000.00	
PROFIT AND LOSS ACCOUNT	7,953,437.14	$19,302,448.74

PROFIT AND LOSS ACCOUNT

BALANCE BROUGHT FORWARD JANUARY 1ST, 1931	$ 7,792,416.74	
DOMINION INCOME TAX, 1930 (2% SUBSEQUENT ASSESSMENT)	61,719.58	$7,730,697.16
EARNINGS FROM ALL SOURCES FOR YEAR ENDED DECEMBER 31ST, 1931, INCLUDING ROYALTIES AND INVESTMENTS	$ 2,484,739.98	
Written off for Depreciation	$397,000.00	
For Dominion Taxes, 1931	195,000.00	
To Pension Fund	50,000.00	642,000.00
NET EARNINGS	1,842,739.98	
LESS DIVIDENDS, 1931	1,620,000.00	222,739.98
BALANCE CARRIED FORWARD JANUARY 1ST, 1932		$7,953,437.14

For the Directors

F. A. MERRICK
N. S. BRADEN
Vice-Presidents

AUDITOR'S CERTIFICATE

I certify that I have audited the books and accounts of the Company for the year ended December 31st, 1931, have verified the cash and securities belonging to the Company and have been furnished with vouchers for all expenditures. I have obtained all necessary information and explanations, and the above statement, in my opinion, sets forth correctly the condition of the Company's affairs at the above date, according to the best of my information and the explanations given me, and agrees with the books of the Company.

Hamilton, Canada, February 10th, 1932

C. S. SCOTT, F.C.A.
of C. S. Scott & Co.
Auditor